

Message Text

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ACTION EB-08

INFO OCT-01 AF-10 ISO-00 DODE-00 NSAE-00 ICA-11
 TRSE-00 SOE-02 DOE-15 CIAE-00 COME-00 /047 W
 -----017294 310605Z /13
R 301124Z AUG 78
FM AMEMBASSY PRETORIA
TO SECSTATE WASHDC 2344

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E.O. 11652: N/A
TAGS: ESTC, SF
SUBJECT: POST SHIPMENT CHECK - AFRONIX

REF: (A) STATE 126441, (B) PRETORIA 4795

SUMMARY: IN CONTINUING INVESTIGATION OF PREVIOUS EXPORTS
HANDLED BY GREENWOOD OF AFRONIX, EMBASSY OFFICER WAS ABLE
TO INSPECT IC TESTER AT SIEMENS BUT WAS NOT PERMITTED TO
VISIT TWO OTHER PLANTS. REQUEST INSTRUCTIONS ON WHETHER TO
PRESS ISSUE OF INSPECTION WHICH MAY RUN COUNTER TO NEW SAG
LAW. ALSO REQUEST GUIDANCE ON OTHER PENDING AFRONIX CASES.
END SUMMARY

1. EMBOFF VISITED SIEMENS PRETORIA PLANT AND OBSERVED
TERADYNE LINEAR CIRCUIT TEST SYSTEM MODEL J273 IN OPERATION.
THREE SEPARATE COMPONENTS OF SYSTEM BORE SERIAL NUMBERS
448054, 439060, AND 439051. PLANT MANAGER STATED PLANT
PRODUCES COMPONENTS INCLUDING INTEGRATED CIRCUITS FOR
COMMERCIAL RADIO AND TELEVISION INDUSTRY.

2. ACCORDING TO GREENWOOD, STANDARD TELEPHONE AND CABLE
(PTY) LTD. AND FUCHS ELECTRONICS DECLINED TO PERMIT
EMBOFF TO INSPECT ITEMS REFERRED TO IN PARA 17 AND 18 OF
DEPARTMENT REFTTEL CITING NEW "PROTECTION OF BUSINESS
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ACT" WHICH PROHIBITS SOUTH AFRICAN COMPANIES FROM PRO-
VIDING INFORMATION IN RESPONSE TO FOREIGN REQUESTS WITH-
OUT THE PERMISSION OF SAG.

3. GREENWOOD BELIEVES BOTH COMPANIES WOULD, IF ASKED,
PROVIDE A CERTIFICATE THAT EQUIPMENT IS IN THEIR PO-
SESSION. WE MIGHT ALSO CONTACT FIRMS DIRECTLY AND EX-

PLAIN PURPOSE OF DESIRED VISIT WITH A VIEW TO PERSUADING THEM THAT NEW ACT DOES NOT APPLY.

4. HOWEVER, IN VIEW OF CONSIDERABLE ATTENTION THAT HAS BEEN FOCUSED ON STRENGTHENED US EXPORT CONTROLS AND APPARENT EFFECT THIS HAS ALREADY HAD ON US SALES HERE, WE ARE RELUCTANT TO APPLY PRESSURE TO THESE PROMINENT FIRMS, WHICH ARE MAJOR POTENTIAL CUSTOMERS, UNLESS INSPECTION IS IMPORTANT ELEMENT IN INVESTIGATION OF GREENWOOD'S CREDIBILITY.

5. WE DO NOT BELIEVE FIRMS ACCEPTED ANY UNDERTAKING TO ALLOW FUTURE INSPECTION AT TIME EXPORT PERMIT WAS ISSUED BUT WOULD WELCOME CLARIFICATION ON THIS.

6. WE EXPECT THAT WE MAY EVENTUALLY HAVE TO CLARIFY WITH SAG APPLICABILITY OF NEW ACT TO PRE- AND POST-SHIPMENT CHECKS. WE ARE RELUCTANT, HOWEVER, TO USE AS EXAMPLE THESE PARTICULAR CASES INVOLVING EQUIPMENT DELIVERED SOME YEARS AGO AND FOR WHICH WE HAVE NO EVIDENCE OF DIVERSION. (REPORT FOLLOWS WITH TEXT OF ACT.)

7. GREENWOOD HAS ALSO SENT US LETTER DESCRIBING HIS DEALINGS WITH CGS, BUT IT DOES NOT SEEM TO ADD MUCH NEW. WE WILL POUCH TO OEA/CD.

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8. TO RECAPITULATE, WE HAVE CARRIED OUT INSTRUCTIONS IN REFTEL (A), PARAS 23, 25 (INsofar AS FIRMS PERMITTED), 26, AND 27. GREENWOOD HAS STILL FAILED TO PRODUCE PURCHASE ORDERS FROM BONAIVON AND TRONAIR (PARA 24), BUT WE HAVE CONFIRMED ORDERS BY PHONE WITH BOTH COMPANIES. GREENWOOD'S STATEMENTS ABOUT RELATIONS WITH GMS (REFTEL B) DO NOT SQUARE WITH INFORMATION IN REFTEL (A) PARA 15, BUT WE HAVE NOT YET CONFRONTED HIM WITH EVIDENCE HE IS STOCKHOLDER IN GMS.

9. GUIDANCE REQUESTED:

A. SHOULD WE PURSUE INSPECTION ISSUE WITH FUCHS AND STC? WOULD LETTERS FROM FIRMS SUFFICE?

B. AS PREVIOUSLY REQUESTED IN PRETORIA 4320, 4448, AND 4795, WHAT FURTHER ACTIONS CAN WE TAKE TO EXPEDITE DECISIONS ON TRONAIR AND BONAIVON CASES? GREENWOOD CLAIMS THESE AND OTHER POTENTIAL ORDERS AMOUNTING TO \$1.5 MILLION ARE IN QUESTION UNTIL HIS SITUATION IS CLARIFIED.
EDMONDSON

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Message Attributes

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Concepts: EXPORTS, STRATEGIC TRADE CONTROLS
Control Number: n/a
Copy: SINGLE
Draft Date: 30 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780355-0633
Format: TEL
From: PRETORIA
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1978/newtext/t1978088/aaaaagnw.tel
Line Count: 114
Litigation Code IDs:
Litigation Codes:
Litigation History:
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Secure: OPEN
Status: NATIVE
Subject: POST SHIPMENT CHECK - AFRONIX
TAGS: ESTC, SF
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/b0c6ea65-c288-dd11-92da-001cc4696bcc
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